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SUBJECT: EMBASSY PUBLIC AFFAIRS SPONSORS CONFERENCE ON  
SOCIAL JUSTICE

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Summary  
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¶1. Embassy Public Affairs sponsored the 12th Houston Series seminar with a focus on "Social Justice: Reducing Poverty, Building the Economy and Peace." 110 leaders and officials from the private sector, academia, government and NGOs participated in the three-day conference held in Cartagena from November 16-18. The conference fostered a lively debate, productive discussion on the relationship between inequality and conflict, and the roles of the government and the private sector in addressing inequality. Despite a wide diversity of viewpoints, participants reached general consensus that security was fundamental to social justice, that the government must be more active in combating inequality, and that the private sector has a significant role to play in strengthening social justice. End Summary.

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Security Critical for Growth and Poverty Reduction  
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¶2. The Houston Series, begun nine years ago in 1998 through the Public Affairs International Visitors program, brings together influential American and Colombian policymakers, press and academia to address key issues. Debate has long been the critical format and topics traditionally relate to the country's search for peace and democracy. Previous topics have included the role of the media in promoting peace, human rights, civil-military relations and private sector issues. This year's conference attracted a star-studded participants list including several members of President Uribe's cabinet, U.S. Secretary of Commerce Carlos Gutierrez, Medellin mayor (and Presidential hopeful) Sergio Fajardo, high ranking Senators and representatives of Afro Colombian and indigenous groups. Through debate sessions at the end of each segment, the forum allowed a rare opportunity for government and non-government players to address and critique various policies and approaches.

¶3. Ambassador Brownfield underscored the importance of this year's topic on Social Justice at the conference opening, encouraging open discussion and debate among the participants. Minister of Defense Juan Manuel Santos cited improvements in economic, security and human rights conditions in the country under President Uribe's democratic security policies. Other high-ranking officials who addressed the conference, including Minister of Foreign Relations Fernando Araujo, Minister of Agriculture and Rural Development Andres Felipe Arias and Minister of Education Cecilia Maria Velez, echoed Minister Santos'

positive assessment of Colombia.

Secretary of Commerce Carlos Gutierrez lauded Colombia's

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trade and social policy advancements and noted the positive effects of the expansion in bilateral ties. He said the U.S.-Colombia Trade Promotion Agreement was a "win-win" for both the U.S. and Colombia.

¶4. Alejandro Reyes of the Rural Roots of Insurgence Group agreed that the GOC's democratic security policies have helped reduce conflict, and hence inequality, by weakening illegal armed groups. Still, he said the GOC must do more against emerging criminal bands and narcotraffickers. Fabio Sanchez, Director of the Center for Economic Development, also linked security and inequality, noting that illegal armed groups create a separate "narco-economy" that undermines the formal economy and weakens local government authority. This reduces tax revenues that fund anti-poverty programs and the ability of local government to effectively implement such programs.

¶5. Andres Escobar, Deputy Director of Colombia's National Planning Office, said that security is a prerequisite to economic growth, which reduces inequality. Escobar noted that Colombia's security situation has improved markedly from 2000 to 2007: homicides decreased 40 percent, kidnappings decreased 83 percent, terrorist attacks decreased 61 percent, and deaths of trade unionists decreased nearly 70 percent. Guillermo Perry of the economic think-tank Fedesarrollo pointed out that the causality between economic growth and inequality: inequality leads to increased crime, reduced human capital growth, and lower quality political institutions, all of which reduce the rate of economic growth.

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Policies to Reduce Inequality  
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¶6. IIP speaker Mark Schneider, Vice-President of the International Crisis Group, said the GOC could must effectively address inequality and poverty through reforms in rural development, land titling and microcredit financing. While some participants agreed, others voiced concern that Colombia was not adequately confronting poverty through specific government programs. Jairo Nunez Mendez of Colombia's Mission Against Poverty and Inequality discussed specific GOC programs to reduce poverty, including expanding post-secondary education opportunities (from 1.2 to 2.7 million individuals), creating more jobs for vulnerable populations, and developing micro-finance programs. Still, he noted that the GOC needs a more unified social protection system in order to combat poverty.

¶7. In response, Accion Social Director Alfonso Hoyos explained Accion Social's anti-poverty efforts which will include 1.5 million families in the "Families in Action" program by 2010. Diego Molano of Accion Social also explained how the GOC addresses the needs of Colombia's 2 million internally displaced people (IDP). He noted that the number of registered IDPs dropped 50 percent from 2005 to 2007, in part due to Accion Social programs. Accion Social's programs to help IDPs include socio-economic stabilization projects in 32 focus cities and 170 municipalities. Molano said that over 600,000 IDPs received subsidized health care in 2006, over 200,000 received education assistance, and 65,000 received housing subsidies.

¶8. Mauricio Cardenas, Director of the economic think-tank Fedesarrollo, cautioned that some government policies aimed at reducing poverty could worsen the "vicious cycle" of the informal labor market in which populist social policies lead to higher labor taxes, driving workers into the informal labor market because employers cannot afford the benefits packages for its the workers. This, in turn, creates pressure for additional government-funded social safety nets which leads to higher taxes and perpetuates the cycle. Cardenas also noted that Colombia's fragmented Congress makes

it difficult to enact social programs that address economic inequality.

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The Private Sector and Social Justice  
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¶9. Luis Carlos Villegas, President of the National Association of Industries, pointed out Colombia's positive economic indicators across the board as progress towards expanding economic opportunity and social justice. While increased security has contributed to Colombia's improved economic situation, pro-market policies and regulations were essential to attracting foreign investment. Foreign investor confidence has helped raise the GDP and lower the poverty rate, affecting the larger population. Villegas said the private sector's corporate social responsibility programs could play a critical role in reducing poverty. Claudio Loser of the Inter-American Dialogue said that Colombia has done better than most of Latin America in terms of per capita income growth, poverty reduction, income distribution, health and education. Still, he said Colombia needs to work on improving government regulations and institutions in order to have the continued economic growth.

¶10. Karl Lippert, President of Colombian operations for the international beer giant SABMiller, highlighted the role of the private sector and free markets in promoting peace. Lippert said Colombia must continue to accelerate economic development but also target that development towards peace. While Colombia has improved economically, a slow judicial system and poorly defined property rights remain obstacles to economic growth. Lippert argued for more infrastructure investment which would reduce transportation costs and facilitate internal trade, thereby increasing rural employment and creating more security.

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Reaching Out  
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¶11. In subsequent weeks the media addressed the value of the Houston Series, and its contribution to Colombia's struggle for a stronger democracy. Media coverage included two reports in Cartagena's liberal daily El Universal (circulation 65,000, commentary on La FM Radio (national audience 210,0) and RCN Radio (national audience 723,000), an interview on RCN Radio with conference speaker Mauricio

Cardenas, an op-ed by participant and former Minister of Finance Juan Camilo Restrepo in El Nuevo Siglo (Bogota daily, circulation 128,000), and an article by participant Claudio Loser in the Latin Business Chronicle.

¶12. Post intends to continue building on the Houston Series tradition by hosting the seminar in 2008. To offset costs, Post intends to increase the level of co-sponsorship through mechanisms such as private sector participation.

Nichols